

PIPELINE ROUTING PERMIT

For

NATURAL GAS PIPELINE

IN

**MARTIN, WATONWAN, BROWN, NICOLLET,
SIBLEY, AND MCLEOD COUNTIES**

ISSUED TO

**CITY OF HUTCHINSON
(HUTCHINSON UTILITIES COMMISSION)**

MEQB DOCKET No. 02-33-PRP-HUC

In accordance with the requirements of Minnesota Statutes section 116I.015 and Minnesota Rules Chapter 4415, this Pipeline Routing Permit is hereby issued to:

**CITY OF HUTCHINSON
(HUTCHINSON UTILITIES COMMISSION)**

The City of Hutchinson (Hutchinson Utilities Commission) is authorized by this permit to construct and operate approximately 90 miles of new 16- and 12.75-inch (outside diameter) natural gas pipeline and associated facilities in Martin, Watonwan, Brown, Nicollet, Sibley and McLeod Counties along the route identified in this Routing Permit and in compliance with the conditions contained in this Permit.

**STATE OF MINNESOTA
ENVIRONMENTAL QUALITY BOARD**

Gene Hugoson, Chair

Dated: December 19, 2002

I. PIPELINE ROUTING PERMIT

The Minnesota Environmental Quality Board (EQB) hereby issues this Pipeline Routing Permit to the City of Hutchinson (Hutchinson Utilities Commission (hereinafter "the Permittee")) pursuant to Minnesota Statutes section 116I.015 and Minnesota Rules, Chapter 4415 to construct and operate a natural gas pipeline and associated facilities approximately 90 miles long between the cities of Trimont, Minnesota, and Hutchinson, Minnesota, in the Minnesota Counties of Martin, Watonwan, Brown, Nicollet, Sibley, and McLeod along a route designated in this Permit.

II. PROJECT DESCRIPTION

The natural gas pipeline authorized to be constructed in this Permit consists of approximately 90 miles of new 16-inch and 12.75-inch outside diameter steel pipe to transport natural gas. Approximately 34 miles of the pipeline from the city of Trimont to south of the city of New Ulm will consist of 16-inch outside diameter pipe, and the remaining 55 miles of pipeline to the city of Hutchinson will consist of 12.75-inch pipe. The pipeline will be buried underground for its entire length. The proposed natural gas pipeline will be designed for a capacity of 60,000 million cubic feet of gas per day through the first 34 miles and for 40,000 million cubic feet per day for the remaining 55 miles. The pipeline will be designed for a maximum pressure of 1480 pounds per square inch (psig) and the maximum operating pressure will be 1300 psig. The gas delivery pressure at the city of Hutchinson will be 800 psig. The pipeline is more specifically described in the City of Hutchinson's Application for Pipeline Routing Permit dated March 2002.

III. DESIGNATED ROUTE

The pipeline route designated by the Environmental Quality Board by this Permit is described as follows:

1. From the point of connection with the Northern Border Pipeline at Trimont, Minnesota (milepost 0) to milepost 55.5 north of the Minnesota River, the route designated is the City's preferred route described in the City of Hutchinson's Application for a Pipeline Routing Permit dated March 2002.
2. From milepost 55.5 to the point where the Farmers Route intersects with the City's preferred route at approximately milepost 80.5, the route designated is that route commonly referred to as the Farmers Route depicted on aerial photos on file with the EQB that are a part of the administrative record in this proceeding.
3. From milepost 80.5 to the termination of the pipeline at Border Station 1 in the City of Hutchinson (approximately milepost 90), the route designated is the City's preferred route.
4. The City's preferred route and the Farmers Route are shown generally on the map attached hereto as Exhibit 1.

IV. RIGHT-OF-WAY SELECTION

A. The designated route includes a variable width of up to 1.25 miles within which the actual right-of-way for the pipeline can be selected by the Permittee in order to accommodate landowner requests and to minimize impacts.

B. In selecting the actual right-of-way for the pipeline within the designated route, the Permittee shall attempt to locate the pipeline along existing rights-of-way such as county roads, along section lines and half section lines, and along headlands. The Permittee shall attempt to minimize the number of drain tile that have to be crossed during construction.

V. EQB REVIEW OF PLAN AND PROFILE AND RIGHT-OF-WAY SPECIFICATIONS

At least 14 days before right-of-way preparation begins on any segment of the pipeline, the City of Hutchinson (Hutchinson Utilities Commission) shall provide the EQB with a plan and profile of the right-of-way and the specifications and drawings for right-of-way preparation, construction, cleanup, and restoration for the segment for which construction is scheduled. The Permittee may not commence construction until the 14 days has expired or until the EQB has advised the Permittee that it has completed its review of the plan and profile and specifications and drawings. If the Permittee intends to make any significant changes in its plan and profile or the specifications and drawings for right-of-way preparation, construction, cleanup, and restoration after review by the EQB, the Permittee shall notify the EQB Chair at least five days before implementing the changes. The Permittee shall also provide the Minnesota Office of Pipeline Safety with the information it gives the EQB. The Permittee's plan and profile and specifications and drawings, shall become a condition of the Permit and shall be complied with by the Permittee.

VI. PERMIT DISTRIBUTION

The Permittee shall, within 10 days of receipt of this pipeline routing permit from the EQB, send a copy of the permit to the office of each regional development commission of a development region, soil and water conservation district, watershed district, watershed management district office, office of the auditor of each county, and clerk of each city and township crossed by the designated route. At least five days before commencing construction of the pipeline on a landowner's property, the Permittee shall provide a copy of this pipeline routing permit to the landowner. (Minnesota Rules part 4415.0175, subp. 2).

VII. PERMIT CONDITIONS

The following conditions apply to pipeline right-of-way preparation, construction, cleanup, and restoration.

A. AGRICULTURAL IMPACT MITIGATION PLAN.

The Permittee shall, after consultation with representatives of the counties and interested landowners and the Minnesota Department of Agriculture, submit an agricultural impact

mitigation plan to the EQB by February 28, 2003. The plan shall set forth mitigative measures that the Permittee will implement to address individual and cumulative impacts of the pipeline on agricultural lands crossed by the pipeline. Upon submission of the plan, the plan shall become a condition of this permit and shall be complied with by the Permittee.

B. CONSTRUCTION PRACTICES

1. The Permittee shall comply with those practices set forth in its application for right-of-way preparation, construction, cleanup and restoration for the new pipeline.
2. Following completion of construction, the Permittee shall clean up the right-of-way and all premises on which pipeline construction activities were conducted. This shall include, but not be limited to removal of debris, fence repair, removal of temporary road and ditch crossings, additional grading to correct for soil settling and seeding of the right-of-way as required by permit conditions or agency permits.
3. The Permittee shall restore the work area as quickly as possible after installation of the pipe.
4. The Permittee shall comply with applicable state rules and statutes.
5. The Permittee shall clear the right-of-way only to the extent necessary to ensure suitable access for construction, safe operation and maintenance.
6. The Permittee shall stabilize stream banks disturbed by pipeline construction with vegetation using native plant species indigenous to the area or by other methods required by applicable state or federal permits or laws.
7. The Permittee shall protect and segregate topsoil in cultivated lands, unless otherwise negotiated with the affected landowner.
8. The Permittee shall minimize the compaction of soil on cultivated lands and confine compacted lands to as small an area as practicable.
9. The Permittee shall protect livestock and crops, unless otherwise negotiated with the affected landowner.
10. The Permittee shall take all appropriate precautions to protect against pollution of the environment.
11. The Permittee shall promptly remove and properly dispose of all waste and scrap that are the products of the pipeline construction process.
12. The Permittee shall provide for daily cleanup of all bottles, cans, paper, and other personal litter.

13. The Permittee shall promptly repair or replace all drainage tiles broken or damaged during right-of-way preparation, construction and maintenance activities, unless otherwise negotiated with the affected landowner.
14. The Permittee shall repair private roads and lanes damaged when moving equipment or when obtaining access to the right-of-way, unless otherwise negotiated with the affected landowner.
15. The Permittee shall replace or repair all fences and gates removed or damaged as a result of right-of-way preparation, construction and restoration activities, unless otherwise negotiated with the affected landowner.
16. The Permittee shall, to the extent possible, take measures to protect shelter belts and trees in a manner compatible with the safe operation, maintenance and inspection of the pipeline.
17. The Permittee shall, to the extent possible, restore the area affected by the pipeline to the natural conditions that existed immediately before construction of the pipeline. Restoration must be compatible with the safe operation, maintenance and inspection of the pipeline.

C. COMPLIANCE WITH DEPARTMENT OF NATURAL RESOURCES PERMITS

The Permittee shall comply with all terms and conditions of permits or licenses issued by the Minnesota Department of Natural Resources.

D. MINIMIZATION OF CONSTRUCTION ACTIVITIES ON WATERSHED STUDY

The Permittee shall not commence construction of the pipeline north of milepost 49 in Nicollet County prior to July 1, 2003. The Permittee shall, after consultation with representatives from the Nicollet County Soil and Water Conservation District, the Minnesota Department of Agriculture, the Nicollet County Environmental Services, and the University of Minnesota Department of Soil, Water, and Climate develop and implement a mitigation plan to minimize the impact of pipeline construction on a watershed study presently underway in Nicollet County.

E. ARCHAEOLOGICAL SURVEY

The Permittee shall work with the Minnesota Historical Society prior to commencing construction to determine whether an archaeological survey will be necessary for any length of the proposed pipeline. The Permittee shall mark and preserve any archaeological sites that are found during construction and shall promptly notify the Minnesota Historical Society (MHS) and the EQB of such discovery. The Permittee shall not excavate at such locations until so authorized by the Minnesota Historical Society.

F. ACCESS TO PROPERTY FOR CONSTRUCTION

1. The Permittee shall obtain all necessary permits authorizing access to public rights-of-way.
2. The Permittee shall obtain approval of the landowners for access to private property.
3. The Permittee shall work with property owners to identify and address any special problems the landowners may have that are associated with the pipeline.

G. COMPLAINTS

1. The Permittee shall establish a complaint reporting procedure in accordance with the requirements of Attachment 1 to this permit prior to commencing construction. The Permittee shall advise the EQB in writing when such procedure has been established.
2. The Permittee shall advise the EQB in writing of any substantial complaints received by the Permittee during the course of construction that are not resolved within 30 days of the complaint.

H. PERMIT AMENDMENT

The Permittee may apply to the EQB for an amendment of the route designation or to any of the permit conditions in accordance with the requirements and procedures of Minn. Rules part 4415.0185.

I. PERMIT MODIFICATION OR SUSPENSION

This permit may be modified or suspended in accordance with the requirements of Minnesota Rules part 4415.0205 at any time a modification or suspension is warranted.

VIII. TERMINATION OF BOARD JURISDICTION OVER THE PIPELINE

Upon determination by the Permittee that it has completed construction of the pipeline and restored the land in accordance with all permit conditions and agreements with landowners, the Permittee shall file with the EQB a written certification that the permitted pipeline construction has been completed in compliance with all permit conditions. The certification shall be considered by the EQB within 60 days of its filing. The EQB shall accept or reject the certification of completion and make a final determination regarding costs or reimbursements due. If the EQB rejects the certification, it shall inform the Permittee in writing of which deficiencies, if corrected, will allow the certification to be accepted. When corrections of the deficiencies are completed, the Permittee shall notify the EQB, and the EQB shall reconsider the certification at its next regularly scheduled meeting, provided the notification is received at least 20 days before the meeting. After acceptance of the certification by the EQB, the EQB's jurisdiction over the Permittee's pipeline routing permit shall be terminated. (Minnesota Rules part 4415.0207).

ATTACHMENT 1

ENVIRONMENTAL QUALITY BOARD COMPLAINT REPORT PROCEDURES FOR PIPELINES

1. Purpose

To establish a uniform and timely method of reporting complaints received by the permittee concerning the permit conditions for right-of-way preparation, construction, cleanup and restoration, and resolution of such complaints.

2. Scope

This reporting plan encompasses complaint report procedures and frequency.

3. Applicability

The procedures shall be used for all complaints received by the permittee.

4. Definitions

Complaint - A statement presented by a person expressing dissatisfaction, resentment, or discontent as a direct result of pipeline right-of-way preparation, construction, cleanup and restoration. Complaints do not include requests, inquiries, questions, or general comments.

Substantial Complaint - Any complaints submitted to the permittee in writing that, if substantiated, could result in permit modification or suspension pursuant to the applicable regulations.

Person - An individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

5. Responsibilities

Everyone involved with pipeline right-of-way preparation, construction, cleanup and restoration is responsible to ensure expeditious and equitable resolution of all complaints. It is therefore, necessary to establish a uniform method for documenting and handling complaints directed to this project. The following procedures will satisfy this requirement:

ATTACHMENT 1

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A. The permittee shall document all complaints by maintaining a record of all applicable information concerning the complaint, including the following:

1. Name of the permittee and project.
2. Name of complainant, address and phone number.
3. Precise property description or tract number (where applicable).
4. Nature of complaint.
5. Response given.
6. Name of person receiving complaint and date of receipt.
7. Name of person reporting complaint to the EQB and phone number.
8. Final disposition and date.

B. The permittee shall assign an individual to summarize complaints for transmittal to the EQB.

6. Requirements

The permittee shall report all complaints to the EQB according to the following schedule:

Immediate Reports - All substantial complaints shall be reported to the EQB by phone the same day received or on the following working day for complaints received after working hours. Such reports are to be directed to Pipeline Permit Compliance, 651-296-5089.

Monthly Reports

By the 15th of each month, a summary of all complaints, including substantial complaints received or resolved during the proceeding month, and a copy of each complaint shall be sent to Pipeline Permit Compliance, Minnesota Environmental Quality Board, 300 Centennial Building, 658 Cedar St., St. Paul, MN 55155.

7. Complaints Received by the EQB

Copies of complaints received directly by the EQB from aggrieved persons regarding pipeline right-of-way preparation, construction, cleanup and restoration shall be promptly sent to the permittee.